

REMARKS

This communication responds to the Final Office Action (*Office Action*) dated December 31, 2009. Although Applicants believe the previously presented claims defined over the cited art, Applicants have nonetheless amended claims 1, 2, 3, 7, 8, 17, and 25 mere in order to advance prosecution. No claims are canceled and no claims are added. As a result, claims 1-32 remain pending in this application.

The Rejection of Claims Under 35 U.S.C. §101

On page 2 of the *Office Action*, the Examiner rejected claims 25-32 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. In particular, the Examiner rejected claims 25-32 asserting that “claims 25-32 are non-statutory since they may be performed within the human mind.”¹ Claim 25 has been amended to recite, *inter alia*, “determining, **using one or more processors**, that a high proxy bid submitted for an auction item is less than a reserve price set for the auction item.”² Support for this claim amendment can be found in Applicants’ as-filed patent application at, for example, paragraph [00128].

Applicant asserts that independent claim 25 is statutory since it is specifically tied to one or more processors. The one or more processors are considered as, “A particular practical application of a judicial exception [that] is eligible.” (*See Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. §101* (August 25, 2009) at 6 (*see also* slide no. 5)). As a result, claim 25 is patent-eligible under § 101 because it is at least tied to a particular machine or apparatus and therefore satisfies the *Bilski* test. Claims 26-32 all depend from independent claim 25 and include all limitations therein. For at least the reasons stated above, claims 26-32 also are patent-eligible under § 101. Therefore, Applicants respectfully request the Examiner to reconsider and withdraw the rejection of claims 25-32 under 35 U.S.C. §101.

¹ *Office Action* at 3, lines 9-10.

² Emphasis added.

The Rejection of Claims Under 35 U.S.C. §102(b)

On page 4 of the *Office Action*, the Examiner rejected claims 1-32 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 7,461,022 to Churchill et al. (*Churchill*).

In order to anticipate a claim, a reference must teach all limitations, arranged or combined in the same way as recited in Applicants' claim. The Court of Appeals for the Federal Circuit recently held

[U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also *all of the limitations arranged or combined in the same way as recited in the claim*, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.³

Because Churchill fails to disclose all limitations of independent claims 1, 9, 17, and 25, at least these claims are not anticipated, and are thus novel.

In particular, amended independent claim 1 recites, *inter alia*,

[A] fixed price-setting process executable from the memory by the processor to *determine that a high proxy bid submitted for an auction item is less than a reserve price set for the auction item*, the high proxy bid being the highest current proxy bid for the auction item and the reserve price being the minimum price at which a seller is willing to sell the auction item; and

a communication engine to *automatically publish, based on the determining, at least one of a proxy bid information set by a proxy bidder and the reserve price*, the proxy bid information including the highest price that the proxy bidder is willing to pay for the item.

Each of Applicants' other independent claims, namely claims 9, 17, and 25 share limitations similar as those of claim 1 recited above.

³ *Net MoneyIn, Inc. v. Verisign, Inc.*, No. 2007-1565 at 17. (Fed. Cir. Oct. 20, 2008); emphasis added.

The Examiner argued that Figures 9-10 of *Churchill* disclose this feature of *determining that a high proxy bid submitted for an auction item is less than a reserved price set for the auction item*. Applicants respectfully disagree. Figure 9 of *Churchill* and its description discuss a “Buy-or-Bid Auction format”⁴ in which merchandise is awarded “to bidders who place bids at or above a posted selling price.”⁵ “This format guarantees the item to the bidder who bids at this posted selling price . . . If a predetermined sales volume has not been achieved after a specified time period, the posted selling price is lowered by some predetermined decrement.”⁶ However, in contrast to Applicant’s claimed elements, Figure 9 of *Churchill* and its description does not disclose or even hint at a *high proxy bid*, the high proxy bid being the highest current proxy bid for the auction item. Figure 10 of *Churchill* and its description discusses an automated bidder feature⁷ that enables a user to set a maximum bid amount that places a ceiling on the amount that the user is willing to bid on an item.⁸ Bids may be made by a user even if the user is not at his computer station if he has specified a maximum bid.⁹ At no point, however, does Figure 10 or any other portion of *Churchill* disclose “*determining that a high proxy bid submitted for an auction item is less than a reserved price set for the auction item*” as recited in Applicants’ claim 1. As a result, Applicants respectfully submit that Figures 9-10 and the rest of *Churchill* does not disclose or even hint at “determining that a high proxy bid submitted for an auction item is less than a reserved price set for the auction item” as recited by Applicants’ independent claim 1.

Furthermore, *Churchill* also fails to disclose or even hint at *automatically publishing, based on the determining, at least one of a proxy bid information set by a proxy bidder and the reserve price*. In contrast to Applicants’ claimed elements, *Churchill* merely discusses an auction system that determines if a bidder’s bid amount is valid.¹⁰ For example, the auction system requires that a bid satisfy an starting bid price and minimum increment¹¹ and “will alert the bidder if neither [the starting bid price nor the minimum bid increment] is satisfied and

⁴ *Churchill* at col. 39, lines 26-29.

⁵ *Id.* at col. 39, lines 1-2.

⁶ *Id.* at col. 39, lines 2-8.

⁷ *Id.* at col. 47, lines 35-38.

⁸ *Id.* at col. 45, lines 20-21.

⁹ *Id.* at col. 47, lines 29-54.

¹⁰ *Id.* at col. 27, lines 37-45.

¹¹ *Id.* at col. 28, lines 6-9.

suggest possible amounts.”¹² However, *alerting a bidder that a bid is not valid* is not the same as *publishing proxy bid information or the reserved price*.

Additionally, in the *Office Action*, the Examiner argued that a phrase used in previously presented claim 1 was “a conditional limitation with the noted step not necessarily being performed . . . Accordingly, once the positively recited steps are satisfied, the method as a whole is satisfied.”¹³ Independent claim 1 has been amended and, as amended, claim 1 does not recite any conditional language since the communication engine is configured to publish automatically, regardless of an outcome of the determination. Similarly, independent claim 9 and amended independent claims 17 and 25 also do not recite any conditional language. As a result, every limitation, arranged or combined in the same way as recited in Applicants’ claim, must be taught by *Churchill* in order for *Churchill* to anticipate the claim.

Since *Churchill* fails to disclose at least these elements discussed above, *Churchill* cannot anticipate Applicants’ independent claims. Applicants have shown that not all the claimed elements were known as required by the *Net MoneyIn* court. Applicants therefore respectfully request the Examiner to reconsider and withdraw the rejection under 35 U.S.C. § 102(b) with regard to independent claims 1, 9, 17, and 25.

Further, since claims 2-8, 10-16, 18-24, and 26-32 depend directly from one of the independent claims just discussed, these dependent claims are also allowable for at least the same reasons as the independent claims from which they depend. Further these dependent claims each may contain additional patentable subject matter.

¹² *Id.* at col. 28, lines 20-28.

¹³ *Office Action* at 4, line 23 – 5, line 5.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned representative at (408) 660-2015 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 C.F.R. 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 26th day of February, 2010.

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